

108TH CONGRESS
1ST SESSION

H. R. 1327

To amend the Internal Revenue Code of 1986 to exempt certain activities at the State level from the denial of the deduction for lobbying expenditures.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2003

Mr. SAM JOHNSON of Texas introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exempt certain activities at the State level from the denial of the deduction for lobbying expenditures.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN ACTIVITIES AT STATE LEVEL EXEMPT**
4 **FROM DENIAL OF DEDUCTION FOR LOB-**
5 **BYING EXPENDITURES.**

6 (a) IN GENERAL.—Subsection (e) of section 162 of
7 the Internal Revenue Code of 1986 (relating to denial of
8 deduction for certain lobbying and political expenditures)
9 is amended by redesignating paragraphs (3) through (8)

1 as paragraphs (4) through (9), respectively, and by insert-
2 ing after paragraph (2) the following new paragraph:

3 “(3) EXCEPTION FOR CERTAIN ACTIVITIES ON
4 THE STATE LEVEL.—For purposes of this sub-
5 section, the term ‘influencing legislation’ does not in-
6 clude service (where such service would otherwise
7 constitute the influencing of legislation) on any
8 board, commission, or similar body appointed by any
9 State governmental body.”

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to taxable years beginning after
12 the date of the enactment of this Act.

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